

Institutional Foundations, Committee System and Amateur Legislators in the Governance of the Spanish Congress: An Institutional Comparative Perspective (USA, Argentina, Spain)¹

Gonzalo Caballero²

University of Vigo

Abstract:

Legislative organization matters for policy-making, and institutional rules determine the role of property rights, hierarchies, individual deputies, parliamentary groups, transactions and committees in the industrial organization of Congress. The New Institutional Economics and Transaction Cost Politics have given rise to a relevant research program on legislative organization. This paper analyses the institutional foundations of legislative organization of the Spanish Congress from an institutional and transactional comparative perspective. Electoral rules and Committee systems are institutional determinants of the political property rights of congressmen and the structure of governance of legislative organization. This paper studies the industrial organization of the Spanish Congress, and we compare this case with those of the traditional model of the US Congress and the Argentine Congress. In this respect, new light on the young Spanish Congress is shed.

Key words: Political Transactions, Legislative Organization, New Institutional Economics, Congress, Spain, Comparative Institutional Analysis.

¹ The previous versions of this paper were presented at the IX Conference of the Spanish Association of Political Science (AECPA, Malaga, Spain, 2009), the International Conference on Political Economy and Institutions (Baiona, Spain, 2010) and the Annual Conference of the International Society for New Institutional Economics (Stirling, Scotland, UK, 2010). I could work on this chapter as a Visiting Scholar at the University of California, Berkeley.

² Faculty of Economics. University of Vigo. Campus As Lagoas. 36310 Vigo. Spain.
Email: gcaballero@uvigo.es

“Studies of the US Congress predominate while articles on legislatures in other countries are rare” (Jones et al., 2002, p. 657).

1- Introduction

There is ample literature on the political economy on the US Congress, but the American case is “a rare outlier in the population of national legislatures”. In fact, party-centered systems dominate most of the world’s democracies, and the legislatures of these countries differ considerably from the US Congress (Jones et al., 2002). Understanding legislative performance in different institutional frameworks requires a new effort that studies the different structures of legislative organizations around the world.

It is true that in the last two decades there have been significant advances in various research programs that study the political economy of democratic systems other than the United States system. The contributions of Laver and Schofield (1998) on the politics of coalition in Europe, Schofield and Sened (2006) on elections and legislative politics (for the cases of Israel, Italy, Netherlands and Britain), and Schofield (2009) on several cases such as parliaments and elections in Russia, Turkey and Canada, are good examples of the advances made in our knowledge on different democracies. Nevertheless, in other research programs, a comparative deficit persists because most of the efforts have been focused on the US experience, and this is the case of the study of legislative organization from the New Institutional Economics. Specifically, the young Spanish democracy has been poorly studied from a comparative institutional perspective (Field and Hamann, 2009), and the Spanish Congress that emerged in Spain resulting in the Democratic Constitution of 1978 constitutes a good research lab for our interest on the governance of Congress in different institutional frameworks. Therefore, this paper will focus on the first chamber of the Spanish bicameral Parliament, because it is the chamber with the primary legislative responsibility (Uhr, 2006).

In a relevant research program on legislative institutions and organizations, Weingast and Marshall (1988), Jones, Saiegh, Spiller and Tommasi (2002), McCubbins (2005), Caballero (2006a, 2006b, 2007) and Spiller and Tommasi (2003, 2007) have studied different elements of the institutional organization of Congress, analyzing the

relationship between institutions, incentives and transactions in the legislative organizations.

This paper comparatively studies the institutional foundations of the industrial organization of the Congress of Deputies in Spain. The legislative organization, the committee system and the role of individual deputies in the Spanish Congress will be analyzed from a transactional and institutional approach, and we will proceed in a comparative way. The two reference models for our comparison are the industrial organization of the American Congress and the Argentine Congress. In this respect, we formulate an institutional comparative analysis that explains the structure of governance of the Spanish Congress in comparison with the cases presented by Weingast and Marshall (1988) and Jones et al. (2002).

While the American Congress represents a prototype model of Congress in which congressmen have strong property rights that facilitate the legislative transaction (candidate-based electoral politics, powerful committees with individual property rights), and the Argentine Congress applies another model of legislative organization (party-based electoral politics, weak committees, power of regional political leaders), this paper presents the industrial organization of the Spanish Congress, which is characterized by party-based electoral politics, weak committees and the power of national leaders of each political party.

Legislative behavior and the organization of legislative institutions are affected by political and electoral rules. We are interested in distinguishing between “party-centered electoral rules” and “candidate-centered electoral rules”, since it is key for the incentives of congressmen. Moreover, the institutional structure of committees is relevant for the structure of property rights of individual congressmen. Our hypothesis is that electoral rules and committee systems are two of the main institutional determinants of political property rights in legislative organization, and they determine the structure of governance of legislative organization.

Our starting point will be the paper by Weingast and Marshall (1988) on the industrial organization of the American Congress. There has been ample literature on the US Congress since this paper was produced, and several approaches and arguments on legislative organization in US have emerged in recent decades. For example, Krehbiel (1991) pointed out the relevance of the informational aspects of legislative organization, while Weingast and Marshall (1988) focused on distributive aspects. On the other hand, Owens (1997) explains the return of party government in the US House

of Representatives after an era of committee government, and he considers that a return to more autonomous, less party-dominated committee system would be unlikely. In this respect, Uslaner and Zittel (2006) survey some changes in legislative behavior in the United States Congress. Nevertheless, from our perspective, Weingast and Marshall (1988) adopted an approach that was specifically focused on political transactions, committee system and legislative organization in Congress. Even if their model of powerful committee system does not correctly represent the current legislative performance of US Congress, it represents an interesting archetype of legislative organization for comparative analysis. We use Weingast and Marshall's model as a category of industrial organization of Congress, which is useful for the comparative analysis with the Spanish case. We will name it "the traditional model of industrial organization" of the American Congress. Moreover, we will introduce the case of the Argentine Congress for our institutional comparative analysis (Jones et. al. 2002).

This paper is a first step in a more ambitious research program that attempts to present a map of hybrid structures of legislative organization that exist in different democratic countries around the world. This paper has been written as an institutional comparative narrative, although in future more theoretical and empirical findings should push forward this research program on legislative organization from the New Institutional Economics. Section 2 presents the foundations of the New Institutional Economics and Transaction Cost Politics for the analysis of legislative organization. Section 3 shows the structure of industrial organization of the American Congress according to the traditional analysis of Weingast and Marshall (1988). Section 4 shows the organizational structure of the Argentine Congress according to Jones *et al.* (2002). Section 5 presents the institutional and electoral rules of the Spanish democracy after *The Franco era* and the performance of the Spanish Congress is analyzed. Section 6 analyses the industrial organization of the Spanish Congress. Section 7 formulates an institutional comparative analysis of the different models of Congress that have been previously analyzed. Section 8 presents the conclusions.

2- The New Institutional Economics, Transaction Cost Politics and Legislative Organization

The theoretical framework of the New Institutional Economics (NIE) combines the *coasean* notion of transaction costs with the *northian* notion of institutions, such that

institutions are a medium for reducing transaction costs and obtaining greater efficiency in economic performance. On the one hand, Coase (1937) generated a microanalytical approach of organizations which gave rise to “transaction cost economics” (Williamson, 1975; 1985); while on the other hand, Coase (1960) generated a macroanalytical approach that studied the relationships between institutions and economic performance, as well as institutional change processes (North, 1990a). The NIE incorporated both approaches, which are mutually inter-related, that is to say, the NIE studies institutions and how institutions interact with organizational structure within the economy (Menard and Shirley, 2005).

In a world with zero transaction costs, the parties concerned would carry out all such transactions that would result in efficiency gains³ (Coase, 1960). However, contrary to this hypothetical world where negotiation cost nothing, economic markets are characterized by the presence of positive transaction costs, and therefore no transaction is carried out whenever such costs surpass the expected gains from such transaction. The level of transaction costs will depend on the characteristics of each specific transaction as well as on the nature of the institutional environment in which the transaction is being carried out. In this respect, every society will have its own “rules of the game”, which will determine the cost of carrying out transactions (North 1990a). According to the Northian approach, institutions are human devised constraints that shape political, economic and social interaction. Institutions consist of formal rules, informal rules and enforcement mechanisms, and they provide the incentive structure of an economy (North, 1990a, 1991).

Transaction Cost Politics (TCP) is a research program that has emerged as an application of the theoretical approach of the New Institutional Economics to political analysis (North, 1990b, Dixit, 1996, Caballero and Arias, 2009, Spiller and Tommasi, 2007). TCP sustains that political institutions matter, that they can be analyzed and that their effect is to economize transaction costs. TCP uses political transaction as the unit of analysis and explains the evolution of political relationships as transactions and contracts. It highlights the relevance of institutions in political markets characterized by incomplete political rights, imperfect enforcement of agreements, bounded rationality, imperfect information, subjective mental models on the part of the actors and high transaction costs. The institutional structure of polity

³ Coase (1960) presents the world of zero transaction costs as the non-existent world that is analysed by the neoclassical economists. The mainstream in economics had forgotten that transaction costs exist. Coase (1999) tells that the world of zero transaction costs is the world of the modern economic theory; it is not the “coasean world”.

or current regime acts as a set of rules that structures incentives, determines the volume of transaction costs and results in a bias to political output⁴.

A first approach to the theoretical bases of TCP is characterized by the following proposals: 1) the application of the transactional approach to the political field leads us to consider political interaction as a set of (implicit or explicit) contractual relations. In this respect, public policies are the outcome of transactions among policy-makers. 2) Institutions are the rules of the political game, and they determine the incentive structure of the agents, and therefore determine a high level of public policy *output*. 3) Organizational structures of governance are quite relevant when explaining the relations between institutions and outcomes. 4) Transaction costs tend to be greater in the political field than in the economic field and therefore the design of an efficient institutional structure becomes more complex in the political world. 5) In recent times, we are witnessing the progressive vision of public policies as a result of a series of inter-temporal political transactions. 6) TCP provides a central role to the notion of credible commitment, which justifies the importance of *reputational capital* and the organizational formulae of the State (Caballero and Arias, 2009).

In the NIE program, the analysis of political rules implies a “first order economizing” (Williamson, 2000), and studies how institutions shape the structure of incentives of the political actors in political markets, acting as a bias on the making of public policy. In this way, a study of the role of institutions such as “transaction cost economizers” in political interaction is begun, and the structural analysis efforts of the new institutionalists on State governance have come about, which include matters such as decentralization, congress, the bureaucracy or agencies (Menard and Shirley, 2005). In this respect, the political economy is reborn with power over the theoretical bases of the New Institutional Economy and the links between economic theory and political theory are strengthened (North, 1999).

The study of organizational, transactional and institutional matters of the State includes the analysis of the legislative market. Traditionally, legislatures have been considered as the principle policy-making institutions in modern societies (Carey, 2006). The NIE and TCP are interested in the governance of Congress. By embarking on the political economy of the legislative organization, parties and committees can appear as substitutes for organizing the functions of any Congress. While a “committee parliament” opts for a system of property

⁴ Transaction Cost Politics (TCP), besides considering the contract as an analysis unit, also studies the enforcement mechanism of contracts, compares the different *governance* structures and adopts the bounded rationality supposition (Epstein and O'Halloran, 1999). In TCP, North (1990b) and Dixit (1996) are the two fundamental contributors who provided the theoretical bases for the program, while Weingast & Marshall (1988) is one of the most relevant precedents.

rights that favors the transactions between individual members of congress in order to pass bills (Weingast and Marchall, 1988), when political parties are the key to legislative organization, a hierarchy is established with a centralized leadership. In as much as the parties are able to control their deputy members via a hierarchy, there exists a differing mechanism to the property rights mechanism established by the committees in order to enforce the agreements. In this case, hierarchy substitutes market in legislative transactions.

The political and electoral institutions of each country are reflected in the corresponding legislative organization of the Congress. That is to say, the legislative structure reflects the institutional matrix of the country conforming to the “*mirroring principle*” (McCubbins, 2005). Therefore when in a parliamentary system power is concentrated around a government’s president who controls the executive and legislative branch as the leader of the majority party, the base is established for legislative markets in which the individual representative or parliament member may lack property rights with respect to the political agenda. Particularly in the electoral systems with complete, closed and blocked lists does this constitute a system of incentives which favors the political hierarchy, since the congressmen that seek the possibility of reelection are encouraged to follow their party’s guidelines that have been establish by the party leadership, because it is this party leadership who decides who will be included in the electoral lists of the party in the subsequent elections. Likewise, insofar as the parliament cannot liberate itself from the control of the majority party whose leader is the president of the executive branch, the Congress seems to be an actor whose counterweight function is diminished.

3- The traditional model of industrial organization of the US Congress: Candidate-Centered Electoral Rules, Strong Committees and Professional Legislators in a Presidential System.

In an outstanding contribution on the political economy of the parliamentary process, Weingast and Marshall (1988) analyzed the industrial organization of the American Congress. This paper assumes that the model of governance showed by Weingast and Marshall (1988) constitutes an archetype that will be used in our comparative analysis as the “traditional model of industrial organization of the US Congress”, such as was explained in the introductory section.

This traditional model is made on three basic assumptions that can characterize the US legislative experience according to Weingast and Marshall (1988). Firstly,

Congressmen represent the (politically responsive) interests located within their district, because their constituents are the principal of the agency relationship. Secondly, party leaders place no constraints on the behavior of other congressmen. Thirdly, proposed bills must command the support of a majority of the entire legislature⁵. Therefore, the congressmen need to make agreements with other congressmen to pass the projects that are interesting for the district from which they are elected. An explicit or implicit vote market exists.

To understand how this special system for votes exchange works, it is necessary to refer to the Legislative Committee System that characterizes the Congress in the US⁶. The rules of this governance mechanism are a substitute for an explicit market for votes.

Because institutional details matter, let us go a little bit further to examine the main rules characterizing this Committee System. First of all, it must be said that committees are composed of a number of seats or positions, being each position held by an individual legislator. Associated with each committee, there is a specific subset of policy issues over which it has jurisdiction. It is within each committee's jurisdiction to possess the monopoly right to propose alternatives to the status quo before the legislature. Committee proposals must of course command a majority of votes to become public policy.

Secondly, it must be emphasized that a property rights system already exists over committee seats called the "seniority system". Under this system any committee member holds his position as long as he chooses to remain on the committee (there is however only one condition: his re-election). Leadership positions within the committee are allocated by seniority, and rights to committee positions cannot be sold or traded to others.

Third, when by transfer, death or defeat there is a vacant seat on the committee, a bidding mechanism exists whereby the vacant seat is assigned. Legislators seek assignment to those committees that have the greatest marginal impact over their electoral fortunes. There are committees that are valued by all, and the higher the

⁵ The literature on the US Congress included several approaches with different conclusions on the relevance of congressional parties (Shepsle and Weingast, 1995). In fact, the debate continues until nowadays in contributions such as Cox and McCubbins (2005) or Krehbiel (2004).

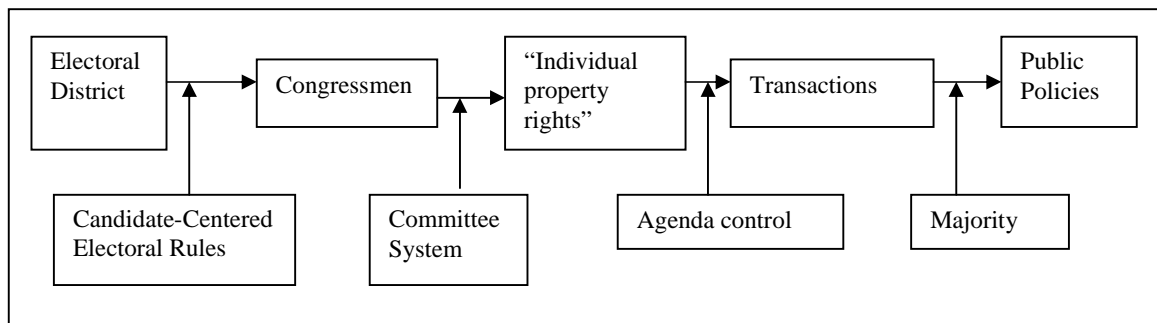
⁶ The paper by Weingast and Marshall (1988) continued the research tradition of Shepsle (1978) on the American committees. The study of committees in legislative organization in the US Congress has generated a broad literature from different approaches. This literature includes Shepsle and Weingast (1987), Krehbiel (1991), Cox and McCubbins (1993), Shepsle and Weingast (1995), Maltzman (1997), Baron (2000), Polsby and Schickler (2001), Beniers and Swank (2004), Krehbiel (2004) and Kim and Rothenberg (2008).

competition in a bid for seeking a seat in those committees, the smaller the chance of success. The congressmen that do not succeed in their application will be assigned to less important committees. In this way, the process of assignment operates as an auto-selection mechanism and committees are not representative of the preferences of all the members of Congress (they show extreme preferences)⁷.

It is evident that if committees have agenda control over their own jurisdiction to propose a bill to Congress, they have veto power on the proposals from others. The restrictive access to the agenda constitutes a mechanism by which each committee can avoid declining the agreements ex-post⁸.

Under these rules, a legislator of committee A can cede his intention to influence the selection of jurisdiction of committee B. In return the members of committee B may waive their right so as not to influence the proposals of the jurisdiction of A. The “institutionalization of rights on the agenda control” substitutes the explicit market exchange mechanism. Legislators seek a seat on those committees which are more highly valued for them, instead of trading votes. Having a position in a committee is a type of property right mechanism that reduces transaction costs and favours independent negotiations among congressmen regardless of their party affiliation.

Figure 1. The Industrial Organization of Congress in USA.



⁷ In their paper, Weingast and Marshall (1988) explain how the committee assignments constitute a bidding mechanism. In this sense, “there are certain committees (e.g., Post Office) that no one wants. Those who fail to get one of their requested slots are generally put on one of these committees. Requesting the most valuable slots, therefore, increases the probability of ending up with Post Office... Which freshman will opt instead to request the more powerful committees?. Since this option involves a lottery between the most valuable committee and one worth virtually nothing, only those freshmen who value it most highly in comparison with the sure thing of getting on their policy committee will bid for it. This lottery implies that revealed preferences reflect true preferences... The pattern of committee assignments looks remarkably like an optimization process that maps members into those committees they value the most”.

⁸ The committee system provides substantial protection against opportunistic behaviour, thereby providing durability to policy bargains. Only the committee with jurisdiction can bring it to the floor for a vote. This control over the agenda within its jurisdiction implies that a committee has veto power over the proposal of others. In other words, the restricted access to the agenda serves as a mechanism to prevent ex-post reneging (Weingast and Marshall, 1988).

The agenda control that the committee members have implies that successful coalitions should include the members of the relevant committee, because their votes are necessary to allow the bill to be debated in Congress. Committees are, then, decentralized units for adopting decisions that are composed by those legislators more interested in the jurisdiction of the committee. It is also evident that members of committees usually receive a non-proportional part of the benefits of the programs under their jurisdiction (Weingast and Marshall, 1988). Committee members are in an agency relationship with the complete Congress. In Congress, of course, bills are passed by majority. Figure 1 summarizes the entire process.

In this respect, the US Congress plays an active role in policymaking and committees are key players in the legislative organization of Congress. Moreover, US congressmen exhibit remarkable longevity and tend to specialize in committees (Polsby, 1968; Jones et al., 2002).

4- The Argentine Congress: Party-Centered Electoral Rules, Weak Committees and Amateur Legislators in a Presidential system.

The industrial organization of the Argentine Congress constitutes an interesting case study for institutional comparative analysis of legislative organization. It represents a model of Congress whereby party-centered electoral rules and weak committee structure imply the existence of amateur legislators and the inability of the Argentine Congress to function as an effective check on the executive branch. Jones *et al.* (2002) and Spiller and Tommasi (2007) presents an institutional analysis of the Argentine Congress, and they conclude that it does not play an active role in Argentine policy-making. This section presents the main characteristics of the legislative organization of the Argentine Congress according to this literature.

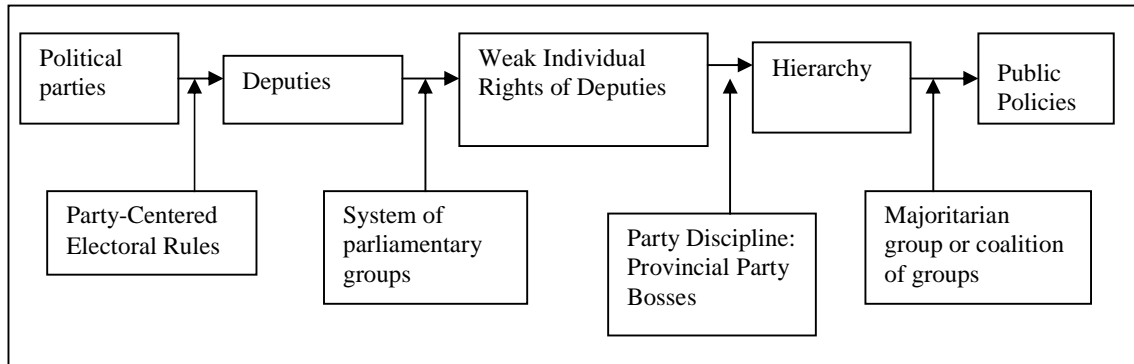
Argentina is a federal republic with twenty-three provinces, and it has a presidential system of government and a bicameral legislature⁹. The Argentine Chamber of Deputies (Congress) has 257 members that are chosen for four years from closed party lists using proportional representation. Each district selects several congressmen

⁹ Gallo *et al* (2006) presents an interesting review of the political-economic environment of Argentina since the late 1980s until 2005.

via PR (multi-member districts) and half of the Chamber is renewed every two years¹⁰ (Jones *et al.*, 2002; Spiller and Tommasi, 2007).

With proportional representation and closed lists, political parties play a relevant role. Argentina is a federal system and provincial governments are very powerful. In Argentina, provincial party bosses control the making of the provincial party list, and each individual legislator depends on the party list to be re-elected. The provincial political bosses determine which congressmen have the possibility to be re-elected, and the re-election of legislators are not in the hands of the voters, but rather in the hands of the provincial governor/party bosses (Jones *et al.*, 2002). In this respect, the Argentine political game is centered on political parties.

Figure 2. The industrial organization of Congress in Argentina.



The assignment of each congressman to a specific committee is not determined by the constituency interests and electoral incentives; the committee Chairs are assigned by the bosses of each political party. The rules of Congress allow multiple assignment and Argentine congressmen belong to a multiplicity of committees. The composition of congressional committees reflects the proportion of seats held by the political parties in the plenary session, and the party's leadership distributes its committee assignments. Congressmen will serve on different committees in order to keep in good standing with the local party leadership (Jones *et al.*, 2002).

Legislators have little incentive to develop legislative policy expertise since a professional legislative career is not a goal of legislators. Legislators only average one

¹⁰ On the other hand, the Argentine Senate has 72 members and each province (and the federal capital of Buenos Aires) elects three senators.

term in office. According to Jones *et al.* (2002), since 1983 the average reelection rate for the Argentine Congress has been 20%, but the members of the Chamber are politician with long political careers. As a result, being a legislator is only a stage in the political life of politicians in Argentina. They can be considered as “amateur legislators, professional politicians”.

The consequence of party-centered electoral rules and closed lists imply that legislative behavior is affected by the power of party bosses rather than the preferences and interests of the constituency. According to the “mirroring principle”, the internal organization of the Argentine Congress reflects the political and electoral institutions of the country. The result is an “amateur Congress”, where legislators leave Congress early to continue in other political activities, and the Argentine Congress works more as a blunt veto player (Jones *et al.*, 2000).

5- Political Institutions in the Spanish Democracy: Party-Centered Electoral Rules and Parliamentary Performance

After nearly forty years of the Franco dictatorship in Spain, the 1978 Spanish Constitution established a democracy and a new political order in the country (Heywood, 1998; Caballero, 2008). The political reform of democratization implied a new set of political and electoral rules that affect the “first order economizing” of Williamson (2000). Spain today is a constitutional monarchy with a parliamentary structure (Field and Haman, 2009), and the principal formal institutional framework of the Spanish society was established in the 1978 Constitution.

The Spanish political system consists of a parliamentary model that has two Chambers: the Congress of Deputies (Congreso de los Diputados), which is the country’s main Chamber, and the Senate (Senado)¹¹. Moreover, Spain experienced a process of political decentralization that created seventeen new regional Parliaments since 1978, and an increasing number of legislative responsibilities have been attributed to them¹².

¹¹ The Senate has 208 directly elected senators, and a variable number (about one-fifth of the chamber) indirectly selected by the assemblies of the 17 regional authorities (autonomous communities). Regarding to the Senate, in the direct elections a majoritarian electoral system is used.

¹² The process of political decentralization in Spain has constituted the model of the State of Autonomies, which implied an original institutional solution (Caballero, 2005a; Toboso and Scorsone, 2010).

This paper is focused on the Spanish Congress, which according to the “mirroring principle” reflects the political rules of the country. The parliamentary elections to Congress are governed by the following rules. Firstly, a proportional representation via the d’Hondt formula is applied in the electoral system, and candidates are presented in blocked and closed lists. Secondly, there are 350 deputy seats in Congress. Deputies are elected in 50 electoral provincial districts, while Ceuta and Melilla (the two Spanish Cities in North Africa) each have the right to elect one congressman. Thirdly, at least two deputies are assigned to each district (Ceuta and Melilla only have one each), and the distribution of the remaining seats is allocated via a population criteria. Fourth, there is a formal threshold of 3% of valid votes at the electoral district level for a party list to obtain representation (Montero, 1998).

Table 1 shows the number of deputies of each party that were elected in Spain since the end of *the Franco era*. In these decades of democratic life in Spain, the national governments have alternated between single-party majority and minority, although there has never been a formal coalition government (Field and Hamann, 2009).

The Spanish Constitution establishes that deputies within the Congress select the president of the government. The president afterwards appoints his government ministers, but the Congress does not approve the government that is appointed by the president. In this respect, the head of the majoritarian political party enjoys a considerable influence over both the executive and the legislative. This influence is, of course, higher when no coalition is needed to form a majority. In practice, the president of the executive branch is also the leader of the majoritarian party. Therefore, it is evident that the government can pass the desired bills without the presence of powerful “veto players” (Tsebelis, 1995), particularly if an absolute majority has been obtained by a single political party.

In the parliamentary system, the majoritarian political party does not have the inherent checks in a system in which an effective separation of powers exists. Moreover, as closed and blocked lists exist in Spain, people vote for the name of the political party rather than for single candidates. In fact, the studies of the Centre for Sociological Research in Spain indicate that only 4% of the voters say that they vote primarily based on whom the candidates are that each party presents in their districts¹³.

¹³ In Spain, the small size of the Congress and the high number of electoral districts mean that the average size of a district is very reduced (6.73 seats by district), and 39 of the districts have seven or fewer seats. This is a very low number if proportional systems are considered. In fact, only Ireland has smaller districts in Western Europe than Spain. The rules here examined produce a majoritarian bias in the small

Table 1. Political Parties and Number of Elected Deputies in Spain, 1977-2008.

	1977	1979	1982	1986	1989	1993	1996	2000	2004	2008
PCE/IU	20	23	3	7	17	18	21	8	5	2
PSOE	118	121	202	184	175	159	141	125	164	169
UCD	165	168	11	–	–	–	–	–	–	–
CDS	–	–	2	19	14	–	–	–	–	–
AP/CP/PP	16	9	107	105	107	141	156	183	148	152
CIU	11	8	12	18	18	17	16	15	10	10
PNV	8	7	8	6	5	5	5	7	7	6
ERC	–	–	–	–	–	1	1	1	8	3
Others	12	14	5	11	14	9	10	11	8	8
Total	350	350	350	350	350	350	350	350	350	

Abbreviations: PCE/IU: Spanish Communist Party/ United Left. PSOE: Spanish Worker Socialist Party. UCD: Democratic Center Union. CDS: Social and Democratic Center. AP/ CP/PP: Popular Alliance/ Popular Coalition/ Popular Party. CIU: Convergence and Union. PNV: Basque Nationalist Party. ERC: Republican Left of Catalonia.

Concerning the specific rules contained in the Congress internal Regulatory Statute, it must be said that the legislative task is organized through several internal organs and commissions. Firstly, the Management and Administrative Organs include the President of Congress, the Board of the Congress and the Spokesperson's Meeting. Secondly, the Work Organs directly exercise the legislative function, and the Committees are the most relevant of these types of organs. They are institutionalized organs that handle the issues of its jurisdiction and are formed by small groups of deputies (approximately forty) who come from the different parties in a similar proportion to the party weight in the chamber¹⁴. Committees prepare the issues to be discussed later in the plenary session and, in some special and specific cases, they can act as a substitute for the plenary.

Committees work on the topics that later will be discussed at the plenary session of the Chamber. Committees can be permanent or non-permanent. Permanent Committees are cited in the internal Regulatory Statute of Congress, and they include

districts, while in the broader districts the proportionality is adequately verified. In this way, the Spanish system of districts with few seats affects the system of parties in a way that reduces the number of parties that obtain parliamentary representation. It implies a low level of fragmentation.

¹⁴ Committees can be permanent or non-permanent. In the first case, they necessarily have to be quoted in the Chamber Regulations, and they can have a legislative character or a non-legislative character. On the other hand, the non-permanent committees have an ad-hoc character and are created to carry out a particular task.

legislative permanent committees and non-legislative permanent committees. Non-permanent Committees are ad-hoc organs, and they are created to address a particular issue, therefore they are abolished when their specific work is finished, and in any case when the legislature expires. Moreover, Congress can create investigation committees on a particular topic, mixed committees and sub-committees. Table 2 shows the number of Committees established in the Spanish Congress in the different Legislatures since 1979 (I-VIII Legislatures). In the current IX Legislature, which started in 2008, nineteen legislative permanent committees and six non-legislative permanent committees were created.

Table 2. Number of Committees in Spanish Congress (I-VIII Legislature).

	I	II	III	IV	V	VI	VII	VIII
Legislative Permanent Committee	37	11	11	11	14	15	14	16
Non- Legislative Permanent Committee	10	5	5	5	4	6	6	7
Investigation Committees	1*	3	1	2	3	2	1	1

Source: Own Elaboration. * This was a mixed Investigation Committee.

On the other hand, parliamentary groups are sets of congressmen that are grouped to realize a collective action in the Congress according to their political affinity. No congressman can be a member of more than one parliamentary group. In practice, even when it is not a requirement established in the Regulatory Statute of Congress, each parliamentary group only incorporates the deputies that are affiliated to its particular political party. The exception is the mixed group. In the constituent legislature there were 9 parliamentary groups; 10 in the I Legislature; 6 in the II and in the III; 7 in the IV, V, VI and VII; 8 in the VIII and 6 in the IX Legislature. Parliamentary groups are in charge of implementing various initiatives such as the proposals for new bills, the totality amendment and the non-legislative propositions.

As it is obvious, the main function of the Congress, as a legislative chamber, is the passage of law. Title V of the Regulatory Statute presents the process of making and

passing of law. The legislative initiative is presented in the Congress of deputies or in the Senate. The Spanish Constitution grants this initiative to the Government, the Congress, the Senate, the Regional Parliaments and to those citizens groups that are no less than half a million. In practice, the government is the player that is responsible for the passing of more bills (legislative bills), on the basis of its support from the majority of the chamber (Table 3).

On the other hand, the number of bill proposals submitted by the parliamentary groups or by other agents (such as the regional parliament, the Senate or the citizenship initiative) is quite high, but the number of them that are passed is very low. In Spain, the weight of the executive on the legislative process is verified by the recent experience shown in Table 3. The legislative initiative from the Government constitutes a clear difference with the US model in which committees can initiate the process by themselves.

Table 3. Number of submitted and passed bills, Spain

BILLS		I	II	III	IV	V	VI	VII	VIII
		Legislature	Legislature	Legislature	Legislature	Legislature	Legislature	Legislature	Legislature
Legislative Bill from the executive	Submitted Bills	347	209	125	137	130	192	175	152
	Passed Bills	213	187	108	109	112	172	173	140
Bill proposals from the Parliamentary Groups	Submitted Bills	193	108	139	165	140	300	322	235
	Passed Bills	26	14	9	18	17	28	16	18
All Other Bill Proposals (Senate, CC.AA., Citizenship Initiative)	Submitted Bills	23	23	23	42	44	50	60	82
	Passed Bills	10	6	4	8	18	20	3	9

Source: Own elaboration based on Caballero (2007).

CC.AA. are the Autonomous Communities (seventeen regional political units).

Regarding the process by which bills are drafted and passed in the Congress, bill proposals go through a period in which they can be entirely or partially amended. When a total amendment is submitted, the amendment is debated and voted on in a plenary session: only when this amendment is rejected will the process continue. At this point, the proposal/project goes to the corresponding parliamentary committee, where a

Reporting Sub- Committee is in charge of studying the amendments. Then, the plenary session of Congress debates and votes the legislative texts and various amendments¹⁵.

Of course, in addition to this legislative function, the Congress is in charge of overseeing the executive branch, for which the Regulatory Statute (Titles VI, VIII, IX, X and XI) includes various items such as the vote of no confidence, the trust motion, the “interpelaciones”, the questions, the appearances, the non-legislative proposals, the motions and the resolutions.

6- The Industrial Organization of the Spanish Congress: Weak Committees and Amateur Legislators in a Parliamentary system.

In determining the structure of the Spanish Congress, there are some political and electoral rules of the Spanish democracy that have a clear effect on the organization of Congress, and there are other just organizational norms of Congress that are relevant too. In this respect, Cox (2000) makes an important distinction between exogenous rules (those that cannot legally be changed by the legislature by itself) and endogenous rules (that can legally be changed by the legislature itself). In any case, in this section we are going to introduce the industrial organization of the Spanish Congress following the structure of analysis of Weingast and Marshall (1988) for the US case.

The perspective on the Spanish Congress developed in this section rests on the three following assumptions:

A) Deputies represent the interests of their political parties. Each congressman is immersed in an agency relationship with multiple principals (Dixit, 1996). The most important principal of each congressman in this relationship is the head of his political party at the national level. The head of the political party is who directly or indirectly determines the possibility of re-election of each deputy since the electoral system is based on closed and blocked lists. This system reduces the role of any deputy as an independent defender of the interests of his district. For this reason, the interest groups consider that the capture of an individual deputy has no great interest, since his freedom is very limited by party discipline and the necessity to cooperate with his

¹⁵ Senate can pass “vetos” (totality amendment) or particular amendments, but later the text comes back to the Congress, which is definitively the decision-maker (it needs a qualified majority and some procedural conditions to pass a project that has been rejected in Senate).

fellow party members. The interest groups will try to capture or influence the leaders of the political party and the head of the parliamentary group.

B) Parties place constraints on the behaviour of individual representatives. Political party leaders have great power and try to restrict the behaviour of the remaining deputies in several ways. This implies that the individual ability of free decision-making is very limited for those individual deputies. Relevant decision-making corresponds more to the choices preferred by the collective heads of political parties than to individual preference, and in the case of conflict, by ordinary deputies.

C) Majority rule is a binding constraint. If passing a bill in the Congress requires the support of the majority of congressmen (simple, absolute or qualified majority in the various cases), agreements among the deputies of the same province or region will not be enough if all others do not support the proposal, particularly the head of the majoritarian parliamentary group. Therefore, negotiations aimed at passing a bill will have to be made within the majoritarian group via a set of relationships in which transactions between equals do not exist due to the fact that there are several agreed upon hierarchical rules. In fact, those congressmen with a relevant position in the structure of the party organization often enjoy a higher power to negotiate and establish the priorities of the majoritarian political party than those who do not occupy such a position.

In conclusion, a hierarchical relationship exists in which deputies usually delegate the decision-making process toward the head of the parliamentary group. This is why ordinary congressmen relinquish the exchange transactions in which the head of the group is not present. In fact, the hierarchical system and the internal discipline of each parliamentary group make independent dialogue and agreement between individual deputies from different political parties almost impossible.

Transaction costs are really high in legislative markets due to non-contemporaneous benefit flows and non-simultaneous exchanges. Political hierarchy in the parliamentary group is the way to solve the transacting problem in the Spanish legislative market. Agreements are channelled through the collective heads of hierarchical parliamentary groups. In fact, the empowerment of parliamentary groups in the Regulatory Statute of Congress was against the position of individual deputies, and the number of decisive subjects in Congress was reduced to a handful of people.

The industrial organization of the Spanish Congress implies a system of Legislative Committees that are characterized by the three following aspects:

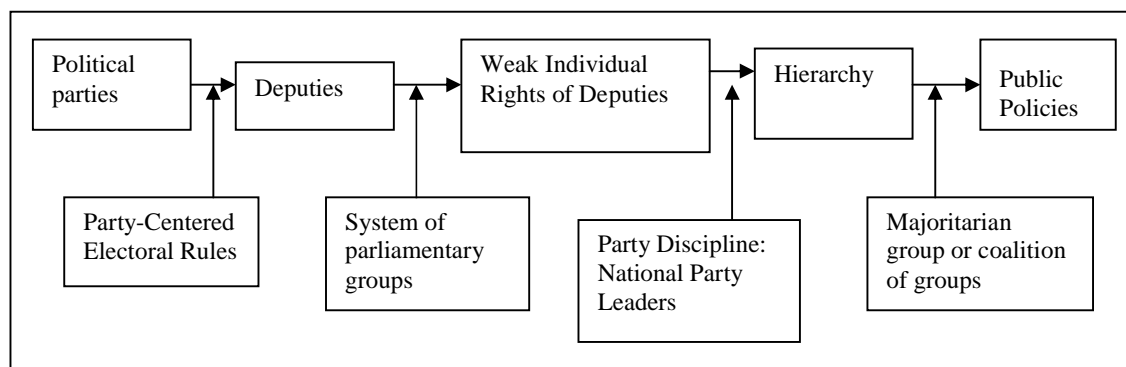
1- Committees are composed of a number of seats occupied by some deputies and each committee is associated with the jurisdiction on a subset of policy issues. Although the committees have no competence to initiate legislation, the legislative bills are discussed and amended within the committees. The committee proposals on bills and projects must be discussed and voted on later by the plenary session of Congress (except when the special procedure of legislative competence is applied; in this case, committee proposals go directly to the Senate).

2- The distribution system of the seats of committees among the parliamentary groups is by apportionment, that is to say, the proportion of seats of the plenary session is maintained in each committee. Moreover, each group can freely appoint deputies to the seats that correspond to the group and decides which deputy will be the group leader in each committee. Groups have property rights on the committee seats. This implies that each group freely assigns the seats to its deputies, and the collective head of the group can change the assignment of deputies. Each parliamentary group cannot trade committee positions with other parliamentary groups.

3- When there are vacant seats in a committee (by resignation, death or new election), the parliamentary group members choose who will be assigned. Each group tries to maximize its performance in the parliament, assigning its deputies in a way which is coherent with its maximization. The collective head of the parliamentary group coordinates the affiliation of each deputy to the different committees, and can adjust this allocation whenever it is considered necessary for improving the parliamentary group's performance. In fact, changes in the allocation are common and it is even possible that the parliamentary group substitutes a member of a committee particularly for one subject, debate or session.

Committee members vote in a way that is coherent with the decisions of their parliamentary groups. In this way, they have a narrow margin of discretion and follow the rigid voting discipline established by the collective head of the group (Sánchez de Dios, 1999). The discretionary choice of any individual deputy who does not form part of the collective head is directly proportional to his power in the parliamentary group, and inversely proportional to the interest in the subject of the head of the parliamentary group.

Figure 3. The industrial organization of Congress in Spain.



The presence parties have in committees is proportional to their political representation in Congress. This implies that the majority formed in the chamber is repeated in all the committees. When there is an absolute majority in the chamber, the majoritarian political party controls all the committees too.

For this reason, committees do not have a “separation of purpose” from the plenary session in the sense of Cox and McCubbins (1999), that is to say, the committee’s preferences are the same as the parliamentary preferences. Because the same preferences control the plenary session and the committees, committees are not independent of the plenary guardianship and the parliamentary groups act as the power mechanisms that impose those preferences. As a result, committees are not independent as “non majoritarian institutions” as in Majone (2001) (a level of autonomy that other agencies have, such as the Central Bank or the European Commission). This makes the committees weak regarding professionalism, independence, specialization and the assignment of property rights. On the other hand, committees have higher quotas of democratic representation. In spite of the growing number of sessions of committees and the growing duration of these sessions (table 4), the organizational structure of Congress has continued to weaken the possible relevance of committees¹⁶.

¹⁶ Moreover, other causes of the weakness of the committees can be pointed out: the small number of workers that they have, their scarcity of resources and the scarce specialization of their members.

Table 4. Number and duration of the Sessions of Committees.

	II Legislature	III Legislature	IV Legislature	V Legislature	VI Legislature	VII Legislature
Number of Sessions	564	645	866	874	1082	1123
Duration (in hours)	2158	2322	2823	3097	3584	3760

Source: Spanish Congress of Deputies

There is little doubt that through the hierarchical structures of the political parties, party leaders in the executive also have a quasi-monopolistic control of parliamentary life via the majoritarian parliamentary groups. The political party system in Spain dominates parliamentary life in Congress, and parliamentary groups turn into sub-units of the political party organization.

The political rules of the Spanish system and the industrial organization of the Congress establish a system of incentives that involves a series of biases on the profile of the Spanish deputies. According to our analysis: 1) The character of the deputy corresponds more to that of a “party politician” than that of a “district representative”. 2) A higher rate of parliamentary turnover is encouraged since permanence in office does not constitute a stimulus to guarantee a position or some sort of institutionalized leadership as in the case of the United States committees. 3) The rate of turnover of the Spanish deputies makes the formation of a specialized and professional legislative body difficult. 4) One can arrive at the hypothesis of “political professionals, legislative amateurs” for the Spanish case, according to Jones et al (2000). We will analyze the Spanish deputies in order to test this hypothesis.

Table 5. Incorporation year to politics as main activity of the Spanish Deputies elected in 1996.

Before 1977	6%
1977-1978	9%
1979-1981	11%
1982-1985	24%
1986-1988	10%
1989-1992	20%
1993-1995	21%

Source: Uriarte (2000).

The Spanish deputies join the Congress of Deputies with high political fanfare, having previously dedicated themselves to politics as their primary activity. In fact, 80% of the deputies elected in 1996 were already dedicated to politics before entering and forming part of the parliament (Uriarte, 2000). Among those that were already dedicated to politics as professionals, 25% were dedicated politicians before 1982 and another 25% started between 1982 and 1985, as table 5 illustrates.

In any case, it should be noted that the deputies that joined Congress have already been affiliated previously with their political party for a long time period. The percentages in table 6 illustrate the long political careers of the Spanish deputies.

Table 6. Duration of party affiliation of elected Deputies in Spain.

More than 20 years	28%
Between 10 and 20 years	42%
Between 5 and 10 years	16%
Between 2 and 5 years	9%
Less than 2 years	2%
No Answer or Non-affiliated	3%

Source: Uriarte (2000) for the VI Legislature.

In the Spanish case, individual deputies have no property rights on legislative Committees, and seniority does not attribute neither seats nor positions of leadership in Congress. The permanence in the Chamber does not concede more individual rights to congressmen, and it is not a valued asset for legislative-making. In fact, the rate of non-re-election in Congress has been very high in the recent democratic experience. Table 7 shows the rate of removal in the Spanish Congress; with the exceptions of 1986, 1993 and 2008 more than 45% of the deputies were removed in each election¹⁷.

Table 7. Rate of removal of the Spanish congressmen

1979	1982	1986	1989	1993	1996	2000	2004	2008
47.2%	63.6%	19.1%	48.9%	35.5%	46.7%	56%	54.8%	38%

Sources: Guerrero (2004), Caballero (2007) and Author's calculations.

¹⁷ This is especially noticeable if we take into account that the immense majority of the deputies say that they want to continue as members of parliament. According to Uriarte (2000), 85 % of deputies answered it in the VI Legislature.

This high level of parliamentary turnover is reflected in the legislative terms that a deputy remains in Congress. Table 8 collects this information for the deputies elected between 1993 and 1997. More than half the deputies of this period were elected for only one legislature which confirms the brief parliamentary experience of most of the Spanish deputies (Morán, 1996). In fact, nowadays there is only one deputy that is a member of Congress since the first democratic elections.

Table 8. Parliamentary life of deputies in Spain.

Number of periods of legislature	Percentage of deputies
1	52.1%
2	25.6%
3	11%
4	6.6%
5	2.2%
6	1.9%

Source: Morán (1996).

This trend of short legislative careers is understandable in an institutional framework where long-term agreements are not a concern for individual deputies, since it is the collective head of the parliamentary group who maintains the permanence criteria and lengthens the time horizon of parliamentary activity. The collective head of the parliamentary group specializes in legislative matters, and verifies that the high rate of deputy removal prevents the individual deputies from developing their legislative career until they attain a high enough level to compete with the group head.

In conclusion, the Spanish experience demonstrates two traits that characterize the Spanish deputies: on the one hand, a long career of political activity (reflected in their long political lives as party militants and even by their long dedication to politics as the main activity), and on the other hand, a high rate of turnover of deputies in Spain (in such a way that a strong majority of deputies pass through Congress on a “cuasi-ocasional” basis). This is why the Spanish deputies can be generally characterized as “professional politicians, amateur legislators” (Jones et al, 2000). In fact, in the Spanish case there exists only a minority of deputies that become professionalized in the parliament, heading their respective parliamentary groups and exercising legislative tasks.

7- An Institutional Comparative Analysis of Congressional Organization: US, Spain, Argentina.

a) Models of Governance of Congress: Spain versus USA

The structure of the industrial organization of Congress is varied in Spain and in the US. They have different models that reflect the institutional framework of each country, and specifically the type of electoral rules (Caballero 2006a, 2006b, 2007). Figure 4 summarizes the main differences of the institutional comparative analysis between both cases.

Figure 4. The industrial organization of Congress: Spain versus USA.

Spanish Congress of Deputies	American Congress
Deputies represent their political party	Congressmen represent districts
Internal discipline in parties	Parties do not control congressmen
Majoritarian group dominates committees	Seniority system in committees
Deputies have no individual rights	Congressmen have property rights
Parliamentary groups make decisions	Committees are key
Hierarchy with a leader	Legislative transactions via committees
Parliamentary renovation	Long duration of congressmen
Group and Party Parliament	Committee Parliament

Source: Own elaboration.

A- The Party Deputy in Spain *versus* the District Congressman in the US. The Spanish electoral system with closed and blocked lists converts the head of the political party into the “principal” in a relationship of agency of the deputy, and assuming that this deputy seeks reelection, he is motivated to follow the instructions of the head of the political party. The voters choose between political parties and the party decides who will form part of its electoral lists. On the contrary, in the case of the United States, the electoral system converts the individual candidate into the key component for the voter, and the members of congress are encouraged to address the interests of their voters of their electoral district, because these voters determine the possibilities of reelection.

B- Party Discipline in Spain *versus* Congressmen that are not controlled by political parties in USA. The objective of permanency in the post by the deputies makes it possible for the head of the political parties to be able to impose behavioral discipline among their deputies in Spain, while in the United States, the parties do not have this control mechanism over its members.

C- The majoritarian parliamentary group dominates Committees in Spain *versus* the Seniority System in US Committees. In the Spanish model, the assignment of committee seats between groups is carried out according to a proportionality criteria with respect to the distribution of seats in the plenary in such a way that the head of the majority group (or coalition of groups that are held together by agreements with the government) maintains control over the plenary where it has the majority, over each one of the committees (which represents the distribution of power in the chamber on a smaller scale) and over the deputies of their party which are subject to party discipline. On the contrary, the United States system establishes an assignment mechanism to committees that awards previous permanence to this committee as well as seniority, in such a way that the composition of the committees does not necessarily reflect the existing political majority in the chamber.

D- Deputies without political property rights in Spanish Committees *versus* Congressmen with property rights in US Committees. The industrial organizational model of the Spanish Congress does not grant property rights to the deputies for their committee seats: the head of each parliamentary group decides which deputies are assigned to each committee, being able to change them when it so desires. The seniority system in practice in the House of Representatives in the United States is turned into a mechanism that grants property rights or permanence for the seat as well as the leadership position in the committee. In the United States model, there are individual rights which the political party cannot interfere with.

E- Prominence of parliamentary groups in Spain *versus* the relevance of Committees in the USA. The organizational structure of the Spanish parliamentary process places the prominent role of the chamber on the head of the parliamentary groups, which grants a privileged position of control over the plenary as well as to each one of the committees to the majority group. The Spanish Congress is more of a

“parliament of groups”, while the industrial organization of the United States Congress places the prominent role on committees that have the exclusive on proposal ability to the plenary and the political position of the committees is the fruit of the will of their members (which does not necessarily coincide with the will of the house majority).

Membership in committees is of lesser motivating value for the deputies in Spain, while in the United States, it constitutes a motivating factor of great importance. This results because the committees in Spain are not able to establish a system of property rights as in the United States, and this is why they are not able to determine the legislative transactions. In the United States, each congressman specializes in one committee, while in Spain, the deputies are assigned to various committees. In Spain, membership in various committees has little electoral cost for a deputy, and the greater number of committees he belongs to, the lesser is his degree of specialization.

F- Hierarchy System in Spanish Congress *versus* Legislative transactions in American Committees. The Spanish model of Congressional organization reflects a political system with great power concentrated around the figure of the president of the government who, as the leader of the majority party, tries to control the parliamentary majority. In this way, legislative transactions and agreements are carried out via a hierarchical system. As long as the executive and the majority of the legislature represent the same political preferences, the role of the Congress is clearly reduced. On the other hand, the system of property rights regarding the US committees reduces the high transaction costs of legislative exchange, being that the United States Congress establishes a system of committees that allow transactions between congressmen in order to establish majorities that permit changing the *status quo*. In this case, there is no relationship of subordination of committees with respect to the United States President.

G- Parliamentary Turnover in Spain *versus* Long-Duration Congressmen in the USA. The industrial organization model of the Spanish Congress does not convert seniority in the Chamber into an asset that grants permanency rights or leadership in committees, furthermore the individual members of parliament are subject to the group leadership, resulting in a system that does not encourage permanency in parliament for long periods of time. In fact, the Spanish deputies actually place more value on the access to other political posts within the party, in the government or other administrations. In addition, the bosses of the parliamentary groups have normally

caused a high turnover of positions in the Committees and spokespersons of the groups in the Spanish committees. Thus, after each electoral process, the rate of turnover of some Committees (such as Economy, Foreign Affairs, Defense, Justice, Interior, or Budgets) surpassed two thirds, and sometimes the renewal reaches 100% (Guerrero, 2004). This high turnover is also evident in the composition of the permanent legislative committees, where the continuity of members of parliament is reduced, as illustrated in table 9. In the case of the United States, it is very different since the congress members obtain leadership positions via a seniority mechanism. If we add to this the fact that in this case the members of congress have some individual property rights, we can understand the incentives of the members of congress to remain there, and even for the voters to back the members of congress with long congressional careers. The House of Representatives in the United States reached high levels of institutionalization as permanence in the House became more and more attractive and turnover of House members became less and less frequent (Jones et al, 2000).

Table 9. Number and percentage of Spanish Deputies that remained in the permanent legislative committees in the VI Legislature.

COMMITTEE	Number of Deputies repeating in Committee	Percentage
Economic Affairs	18	44
Public Finance	15	37
Agriculture	11	27
Health	8	20
Industry	18	44
Infrastructures	12	22
Social Welfare	16	39
Foreign Affairs	21	51
Defence	13	32
Law and Security	17	41
Constitutional Affairs	10	24
Education and Culture	8	20
Public Administration	8	20

Source: López Nieto (2001).

H- Parliamentary Group and Party Parliament in Spain *versus* Committee Congress in the US. While the organization of the Congress of deputies in Spain converts the parliamentary groups (integrated in a party hierarchy) into the key elements for the making of public policies in the legislature, the United States Congress concedes the leadership role to the committee system. The Spanish model does not grant “de facto” property rights to the individual deputies and greatly leaves it to the discretion of the parliamentary group leadership in order to determine its organizational structure. In this

way the party hierarchy is able to impose its will, with the leader and the rest of the party leadership at the head. Specifically in a system such as the Spanish system, in which the majority party controls the executive branch and the legislature (particularly when there is an absolute majority), the institutional structure of the Congress concedes all the weight of the Chamber performance to the majority parliamentary group according to the limitations established by the Constitution and the Congressional Regulations. Therefore, the majority party group leadership controls the majority of the chamber and decides how to organize the internal workings of the group, such as the role of the committees and the plenary sessions. This way the majority group can determine when decisions are made, who is granted power and what *de facto* functions and operations each Congressional organ will have. The parliamentary group is converted into the key element of the Spanish Congress, and its true organizational structure depends upon its relationship with the executive branch and upon the corresponding political party. In the case of an absolute majority, the leadership of the majority parliamentary group decides in practice if the legislative committees have a role to fill or not. The fact that the majority is able to impose its dominance without hindrance by institutional mechanisms such as in the United States legislative committees, postulates that the role of the Spanish legislative committees is not very relevant since they do not enjoy property rights over the policy decision agenda. The political property rights fall upon the parliament majority group that is not confronted with possible vetoes neither in the plenary nor in the committees (excluding internal cohesion problems).

b) A Comparative Perspective with the Argentine Congress.

Jones et al. (2002) clearly shows the main conclusions of a comparative institutional analysis between the American House of Representatives and the Argentina Congress:

- While members of the US Congress exhibit remarkable longevity, the Argentina deputies last on average only one four-year term.

- While members of the US Congress tend to specialize in committees, Argentine legislators belong to a multiplicity of committees.

- While the US Congress has an active role in policy-making, the Argentina Congress plays more the role of a blunt veto player.

- While the US Congress is the center of policy-making, in Argentina crucial political bargaining is held far away from the national legislature.

On the other hand, while Spain has a parliamentary political system and Argentina has a presidential system, both coincide in having an electoral system with closed and blocked lists where the D'Hondt rule applies and a Congress in which the individual deputies do not have property rights in the parliamentary committees. That is to say, both cases share two important elements of the institutional framework: party-centered electoral rules and weak committee systems. The results are the existence of amateur legislators with a high rate of turnover and a party Congress with a limited role in policymaking.

In particular, the Spanish and Argentine Congress coincide, among other traits, in the following: A) The lack of power and individual rights of the deputies; B) the political parties control the reelection possibilities of the deputies; C) the political parties control the Congress through the parliamentary groups; D) There is a lack of specialization in the parliamentary committees; E) The members of parliament belong to various committees; F) The deputies acts more as "party politicians" than as "district deputies". G) The deputies have on average a short career as members of parliament; H) The Congress has limited power as a "veto player".

Nevertheless, in spite of the fact that Spain and Argentina have a similar Congressional structure and electoral system, one difference between both cases is that in the Argentine case, the provincial political leaders (especially the governors) are the ones who have the power to elaborate the electoral lists. While in the Spanish case, this power is wielded by the upper echelons of the party leadership at the national level (especially in the case of the governing party). Jones et al. (2002) points out that Argentina is a federal system and this may appear to be the explicative factor of power of the provincial leaders when elaborating the electoral lists. However, Spain has also experienced a process of political decentralization of a federal nature which has created seventeen regional governments, each one with its own regional parliament and Autonomous Community president, although on the contrary, the power of elaborating the electoral lists for the Spanish Congress is not in the hands of the regional leaders, but in the hands of the national leaders. The key is that Spain has a parliamentary political regime and Argentina has a presidential model. This implies that in the Spanish case the chief executive is elected by the assembly and the chief executive remains in office subject to legislative confidence, but this too implies that elections to Congress will be focused on the candidate to the presidency of the government. On the other hand, Argentina is a presidential system that Carey (2005) characterizes as a hybrid regime

where the president is popularly elected and is endowed with meaningful powers. In this case, legislative elections are independent of presidential elections.

In a parliamentary system such as Spain's in which the Congressional elections are focused on the figure of the candidate to the presidency of the government, control over the lists are more centralized at the national level than in the Argentine model, in which the presidential system implies that the legislative elections have a greater provincial district component and the reference to the national leadership is less.

8- Conclusion

Institutional Comparative Analysis on property rights, transactions and hierarchies in the governance structure of Congress is relevant for the understanding of the role of individual deputies and parliamentary committees in the legislative performance. This structure has different models of organization and performance, as we have shown by comparing the cases of the Spanish Congress, the House of Representatives in the United States and the Argentine Congress.

The Spanish Congress is composed chiefly of organized hierarchical parliamentary groups than that of deputies understood as individual political agents. It is in the "deputy leaders" where all the power is concentrated by their guidance of the parliamentary groups. Transactions are carried out via the delegations in the hierarchical structure of the parliamentary group. The Spanish political system can be characterized as a State of parties in which the political elites control the hierarchical political parties. The weight of the parties in public life ends up being stretched towards a parliamentary configuration and the political parties penetrate the organization of Congress through a hierarchical structure over the parliamentary group. As a result, the parliament ends up as a parliament of groups.

Contrarily, the traditional model of industrial organization of the United States Congress implies a parliament with property rights for congressmen over the political agenda, with a system of powerful committees, long-term members of congress and with an influential structure in the making of public policy.

The incorporation of the Argentine model to the comparative analysis allows us to study a structure of governance which is more similar to that of Spain than that of the United States, in spite of the fact that Argentina and the United States both have a presidential regime, while Spain has a parliamentary political system. It is this way

because the Argentine electoral system is proportional to the D'Hondt rule; it establishes closed and blocked electoral lists and the parties control both parliamentary life and committees. Both traits are shared by both the Spanish and Argentine Congresses but not by the United States. Nevertheless, the fact that the Spanish system is parliamentary with party-centered electoral rules implies that the power over the electoral lists lies with the national leadership of the various parties, while with a presidential system with province-districts as in Argentina, the provincial party leaders and the governors are who have the most power to elaborate the electoral lists and decide which deputies will have the possibility to be reelected.

In summary, this chapter has applied an institutional political economy approach to the comparative study of parliamentary chamber organization. Stemming from the theoretical foundations of the New Institutional Economics and Transaction Cost Politics, this chapter has brought about advances in the knowledge of the legislative organization of the Spanish Congress from a comparative perspective. This paper advances the analysis of the Spanish case which had been poorly studied in comparative terms. In addition, this paper has advanced upon a line of research on comparative institutional analysis of parliamentary governance, although future efforts shall be necessary in order to obtain new developments. The agenda of future research should incorporate theoretical developments, new empirical evidence and the incorporation of other existing Congressional models around the world. In this way we will advance in our understanding of the political economy of democratic institutions.

References:

- Baron, D. P. (2000). Legislative Organization with Informational Committees. *American Journal of Political Science* 44(3): 485-505.
- Beniers, K. J. and O. H. Swank (2004). On the composition of Committees. *Journal of Law, Economics and Organization* 20(2): 353-378.
- Caballero, G. (2005). Instituciones, federalismo defensor de mercados y Estado de las Autonomías. Un análisis de segunda generación. *El Trimestre Económico* 286: 283-328.
- Caballero, G. (2006a). La economía política de la organización industrial del Congreso de los Diputados en España: Derechos de propiedad, transacciones y jerarquías. *El Trimestre Económico* LXXIII, 291: 637-666.
- Caballero, G. (2006b). The Industrial Organization of Congress in USA and Spain: A Comparative institutional analysis. *Revista de Análisis Económico* 21(2): 105-123.
- Caballero, G. (2007). Comisiones, grupos parlamentarios y diputados en la gobernanza del Congreso de los Diputados. *Revista de Estudios Políticos* 135: 67-107.

- Caballero, G. (2008). El cambio institucional de la economía del franquismo a la democracia: un análisis histórico institucional. *Política y Gobierno* XV (2): 353-401.
- Caballero, G. and X. C. Arias (2009). The Program of Transaction Cost Politics in the map of the New Institutionalism. Annual Meeting of the Public Choice Society. USA.
- Carey, J. M. (2005). Presidential versus parliamentary government, pp. 91-121, in Ménard, C. and M. M. Shirley: *Handbook of New Institutional Economics*. Springer.
- Carey, J. M. (2006). Legislative Organization, pp. 431-454, in Rhodes, R. A. W., Binder, S. A. and B. A. Rockman (eds) (2006): *Oxford Handbook of Political Science*. Oxford University Press.
- Coase, R. H. (1937). The Nature of the Firm. *Economica* 4: 386-405.
- Coase, R. H. (1960). The Problem of Social Cost. *Journal of Law and Economics* 3 (1): 1-44.
- Coase, R. H. (1999). An Interview with Ronald Coase. *ISNIE Newsletter* 2(1): 3-10.
- Cox, G. W. (2000). On the Effects of Legislatives Rules. *Legislative Studies Quarterly* 25 (2): 169-192.
- Cox, G. W. and M. D. McCubbins (1993). *Legislative Leviathan*. University of California Press.
- Cox, G. W. and M. D. McCubbins (1999). The Institutional Determinants of Economic Policy Outcomes. Annual Conference of the ISNIE, Washington, USA.
- Cox, G. W. and M. D. McCubbins (2005). *Setting the agenda*. Cambridge University Press.
- Dixit, A. K. (1996). *The Making of Economic Policy: A Transaction- Cost Politics Perspective*, The MIT Press, Cambridge.
- Epstein, D. and S. O'Halloran (1999). *Delegating powers. A transaction cost politics approach to policy making under separate powers*. Cambridge University Press. Cambridge.
- Field, B. N. and K. Hamann (2009). *Democracy and Institutional Development*. Palgrave Macmillan.
- Gallo, A, Stegmann, J. P. and J. Steagall (2006). The Role of Political Institutions in the Resolution of Economic Crises: The Case of Argentina 2001-2005. *Oxford Development Studies* 34 (2): 193-217.
- Guerrero, E. (2004): *El Parlamento*, Editorial Síntesis.
- Heywood, P. (1998). Power Diffusion or Concentration? In Search of the Spanish Policy Process. *West European Politics* 21(4): 103-123.
- Jones, M. P., S. Saiegh, P. T. Spiller and M. Tommasi (2002). Amateur Legislators-Professional Politicians: The Consequences of Party-Centered Electoral Rules in a Federal System. *American Journal of Political Science* 46(3): 656-669.
- Kim, J. and L. S. Rothenberg (2008). Foundations of legislative organization and Committee Influence. *Journal of Theoretical Politics* 20 (3): 339-374.
- Kousser, T. (2005). *Term Limits and the Dismantling of State Legislative Professionalism*, Cambridge University Press.
- Krehbiel, K. (1991). *Information and Legislative Organization*, University of Michigan Press.
- Krehbiel, K. (2004). Legislative Organization. *Journal of Economic Perspectives* 18(1): 113-128.
- Laver, M. and N. Schofield (1998). *Multiparty Government. The Politics of Coalition in Europe*. The University of Michigan Press.
- López Nieto, L. (2001). Las Cortes Generales, pp. 215-242, in Alcántara, M. and A. Martínez (2001): *Política y Gobierno en España*. Tirant lo Blanch.

- Majone, G. (2001). Nonmajoritarian Institutions and the Limits of Democratic Governance: A Political Transaction-Cost Approach. *Journal of Institutional and Theoretical Economics* 157: 57-78.
- Maltzman, F. (1997). *Competing principals: Committees, Parties and the Organization of Congress*. University of Michigan Press.
- McCubbins, M. D. (2005). Legislative Process and the Mirroring Principle, pp. 123-147, en Ménard, C. and M. M. Shirley: *Handbook of New Institutional Economics*. Springer.
- Menard, C. and M. Shirley (2005). *Handbook of New Institutional Economics*. Springer.
- Mezey, M. (1979). *Comparative Legislatures*, Duke University Press, Durham NC.
- Montero, J. R. (1998). Stablishing the Democratic Order: Electoral Behaviour in Spain. *West European Politics* 21(4): 53-79.
- Morán, L. M. (1996). Renewal and Permanency of the Spanish Members of Parliament, 1977-1993, WP 1996/81, Instituto Juan March, Madrid.
- North, D. C. (1990a). *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, Cambridge.
- North, D. C. (1990b). A Transaction Cost Theory of Politics. *Journal of Theoretical Politics* 2 (4): 355-367.
- North, D. C. (1991). Institutions. *Journal of Economic Perspectives* 5(1): 97-112.
- North, D. C. (1999). In Anticipation of the Marriage of Political and Economic Theory, pp. 314-317, in Alt, J., Levi, M. and E. Ostrom (eds). *Competition and Cooperation. Conversations with Nobelists about Economics and Political Science*. Russell Sage Foundation. New York.
- Owens, J. E. (1997). The Return of Party Government in the US House of Representatives: Central Leadership – Committee Relations in the 104th Congress. *British Journal of Political Science* 27: 247-272.
- Polsby, N. W. (1968). The Institutionalization of the U.S. House of Representatives. *The American Political Science Review* 62 (1): 144-168.
- Polsby, N. W. and E. Schickler (2001). Landmarks in the Study of Congress since 1945: Sketches for an informal history. Annual Meeting of the APSA, San Francisco.
- Sánchez de Dios, M. (1999). Parliamentary Party Discipline in Spain, pp. 141-162, en Bowler, S. et al. (ed): *Party Discipline and Parliamentary Government*, Ohio State University Press.
- Schofield, N. (2009). *The Political Economy of Democracy and Tyranny*, Oldenbourg: Munich.
- Schofield, N. and I. Sened (2006). *Multiparty Democracy: Elections and Legislative Politics*. Cambridge University Press.
- Shepsle, K. A. (1978). *The Giant Jigsaw Puzzle: Democratic Committee Assignments in the Modern House*, University of Chicago Press.
- Shepsle, K. A. and B. R. Weingast (1987). The institutional foundations of committee power. *American Political Science Review* 81(1): 85-104.
- Shepsle, K. A. and B. R. Weingast (1995). *Positive Theories of Congressional Institutions*, The University of Michigan Press.
- Spiller, P. T. and M. Tommasi (2003). The institutional foundations of public policy: A transactions approach with applications to Argentina. *Journal of Law, Economics and Organizations* 19(2): 281-306.

- Spiller, P. T. and M. Tommasi (2007). *The institutional foundations of Public policy in Argentina. A transaction cost approach*. Cambridge University Press.
- Toboso, F. and E. Scorsone (2010). How much power to tax do regional governments enjoy in Spain since the 1996 and 2001 reforms?. *Regional and Federal Studies*, 20 (2): 157-174.
- Tsebelis, G. (1995). “Decision Making in Political System: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartism”. *British Journal of Political Science* 25: 289-325.
- Uhr, J. (2006). Bicameralism, pp. 475-494, in Rhodes, R. A. W., Binder, S. A. and B. A. Rockman (eds) (2006): *Oxford Handbook of Political Science*. Oxford University Press.
- Uslaner, E. M. and T. Zittel (2006). Comparative Legislative Behavior, pp. 455-473, in Rhodes, R. A. W., Binder, S. A. and B. A. Rockman (eds) (2006): *Oxford Handbook of Political Science*. Oxford University Press.
- Uriarte, E. (2000). La política como vocación y como profesión: análisis de las motivaciones y de la carrera política de los diputados españoles. *Revista Española de Ciencia Política* 3: 97-124.
- Weingast, B. R. and W.J. Marshall (1988). The Industrial Organization of Congress; or, Why Legislatures, Like Firms, Are Not Organized as Markets. *Journal of Political Economy* 96: 132-163.
- Williamson, O. E. (1975). *Markets and Hierarchies*. The Free Press. New York.
- Williamson, O. E. (1985). *The Economics Institutions of Capitalism: Firms, Markets, Relational Contracting*. The Free Press. New York.
- Williamson, O. E. (2000). The New Institutional Economics: Taking Stock, Looking Ahead. *Journal of Economic Literature* 38: 595-613.

Biographical Sketch

Gonzalo Caballero is an Associate Professor of Economics at the University of Vigo, Spain. He received his PhD and a B.Sc. in Economics with Honors from the University of Vigo, and he received a MPhil in Contemporaneous Political Studies from the University of Santiago de Compostela. He has been a Visiting Scholar at Washington University in St. Louis, the Center for New Institutional Social Sciences in St. Louis, the Center for Advanced Study in the Social Sciences in Madrid, the University of California in Santa Barbara and the University of California in Berkeley. He has been teaching his course on “Economics of Institutions” at Charles University in Prague, Comenius University in Bratislava and University Roma Tre. He has published over fifty papers on institutional analysis in, among others, *Economic Modelling*, *Journal of Institutional Economics*, *Ocean & Coastal Management*, *Marine Policy*, *Environmetrics*, *El Trimestre Económico*, *Brazilian Journal of Political Economy*, *Política y Gobierno*, *Revista Española de Investigaciones Sociológicas*, *Revista de Estudios Políticos* and *Revista Española de Ciencia Política*. He has written several books and co-edited a volume on the Great Recession.